



# How Sustainable is DTC Retail?

DTC brands can improve sustainability through last mile experiences

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# Many DTC companies build sustainability directly into their brand and products.

Brands like Grove Collaborative are promising to be plastic-free by 2025 and Reformation tells shoppers the environmental impact of every item it sells. These commitments are impressive and build belief in their brand as a sustainable choice.

We wanted to see if these commitments continued into their Operations Experience – that is the customer experience during shipping, delivery, returns and beyond. We placed orders with 50 top DTC brands and had them delivered to a home address in Atlanta to simulate the average American consumer experience. Once the data from checkout, shipping, delivery and returns was collected, we analyzed it and pulled out the key sustainability findings to share with you here.

## What you’ll learn:

- DTC Industry standards for Sustainability
- How to drive sustainability through Operations Experience Management
- Best practices and key opportunities to improve



## Brands we studied

WARBY PARKER	DÔEN	M. GEMI
EVERLANE	GLOSSYBOX	HAUTE HIJAB
CUYANA	GROVE	JOYBIRD
GLOSSIER	COLLABORATIVE	ARTICLE
REFORMATION	SNOWE	SCHMIDTS
DOLLAR SHAVE CLUB	BILLIE	BLUELAND
WINC	GOOP	WHO GIVES A CRAP
HIMS	GREAT JONES	PEACH
OUTDOOR VOICES	FOOD52	SHINOLA
CASPER	STITCHFIX	23ANDME
LEESA	THIRD LOVE	HELIX
AWAY	NISOLO	DAGNE DOVER
BONOBOS	RITUAL VITAMINS	HARRY'S
QUIP	THINX	BRANDLESS
BROOKLINEN	HAPPY SOCKS	SUMMERSALT
THE HONEST COMPANY	PARACHUTE HOME	LOLA TAMPONS
CAT PERSON	BOLL AND BRANCH	FRIDA POST-PARTUM

# Key findings



of DTC brands used a cardboard box or bag for shipping



of DTC brands used a plastic bag for shipping

Source: parcelLab  
Basis: DTC top 50 Retailers data March 2021-May 2021, data in percentage



of DTC brands included sustainability messaging in their their shipping notifications



of DTC brands promoted paperless returns



of DTC brands used packaging that was reusable for the return





6% of DTC brands offer a carbon-neutral delivery option



## Key Opportunity

94% of DTC brands do not offer a carbon-neutral delivery option

Offering carbon neutral delivery is a key opportunity to offer shoppers the potential to offset the carbon emissions of their delivery



4% of DTC brands offer an option to choose less packaging in order shipment



## Key Opportunity

96% of DTC brands do not offer an option for less packaging in checkout

Offering less packaging is a key opportunity to make deliveries lighter and reduce packaging waste

Source: parcelLab  
Basis: DTC top 50 Retailers data March 2021-May 2021, data in percentage



of DTC brands included sustainability messaging on their packaging



of DTC brands did not include sustainability messaging on their packaging

Source: parcelLab  
Basis: DTC top 50 Retailers data March 2021-May 2021, data in percentage



of DTC brands used plastic packaging  
for the products ordered



of DTC brands did not use plastic packaging  
for the products ordered

Source: parcelLab  
Basis: DTC top 50 Retailers data March 2021-May 2021,  
data in percentage



## Transform your customer experience into **Operations Experience**

As more people choose to buy online, brands around the world are feeling the pressure to perfect their e-commerce journey. Every element of the end-to-end experience is under the spotlight.

In order to be competitive, all operations must be well-managed. Brands are eager to streamline and enhance their processes – especially after checkout.

## What is **Operations Experience Management?**

There are countless operational processes throughout each customer journey; occurring in warehouses during fulfilment, on delivery trucks, during repairs and returns, under warranty and more. During these processes, customer experience is rarely well managed. That's largely because the amount of complex data that needs to be gathered, analyzed, cleaned and harmonized to deliver relevant, real-time value is too overwhelming.

But the reality is that leveraging operational data is key to outperforming competition and impressing customers.

Operations Experience Management is the combination of operational processes with customer experience, further enhanced by personalization and relevance.

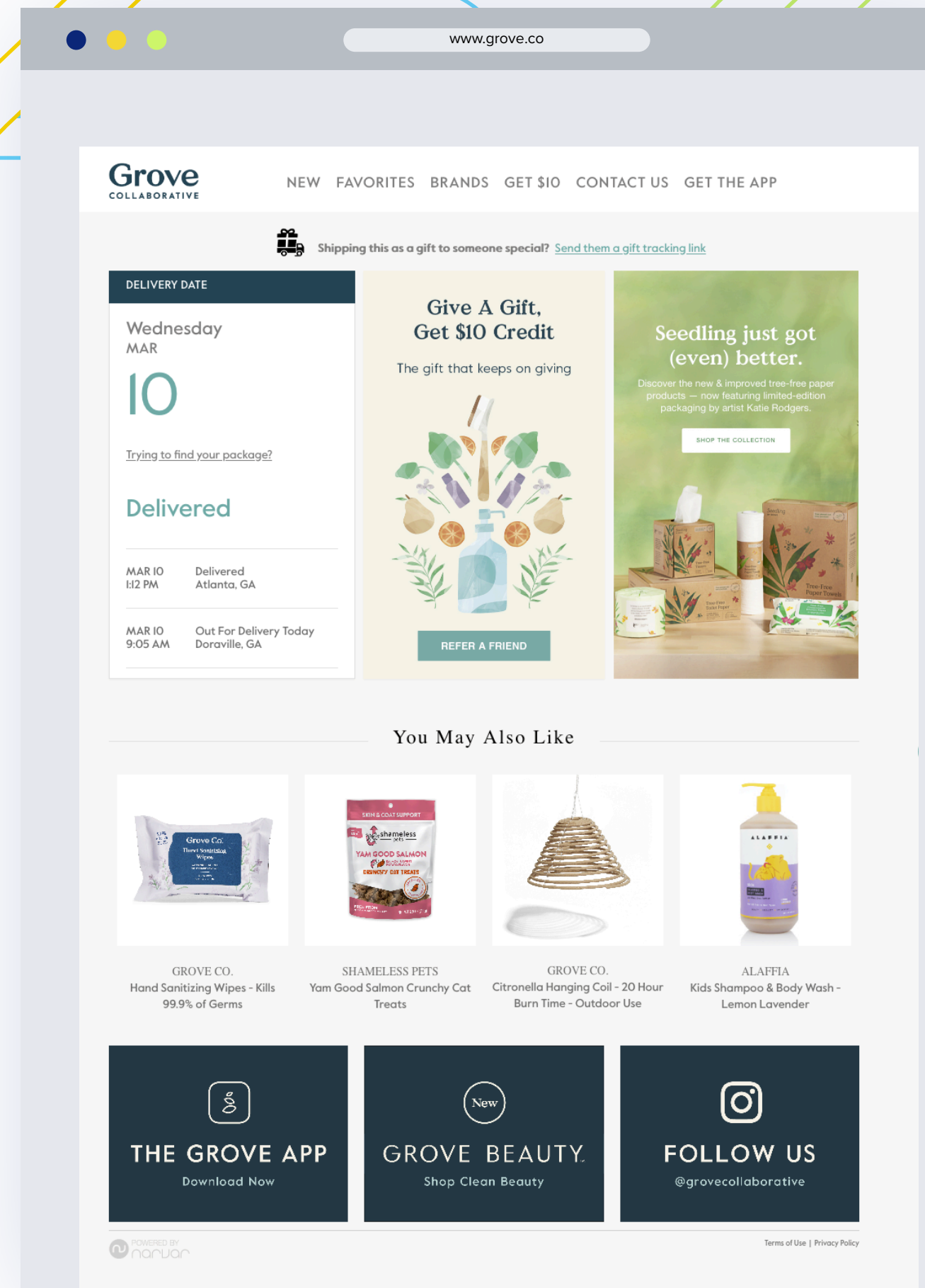


# Learning from the best

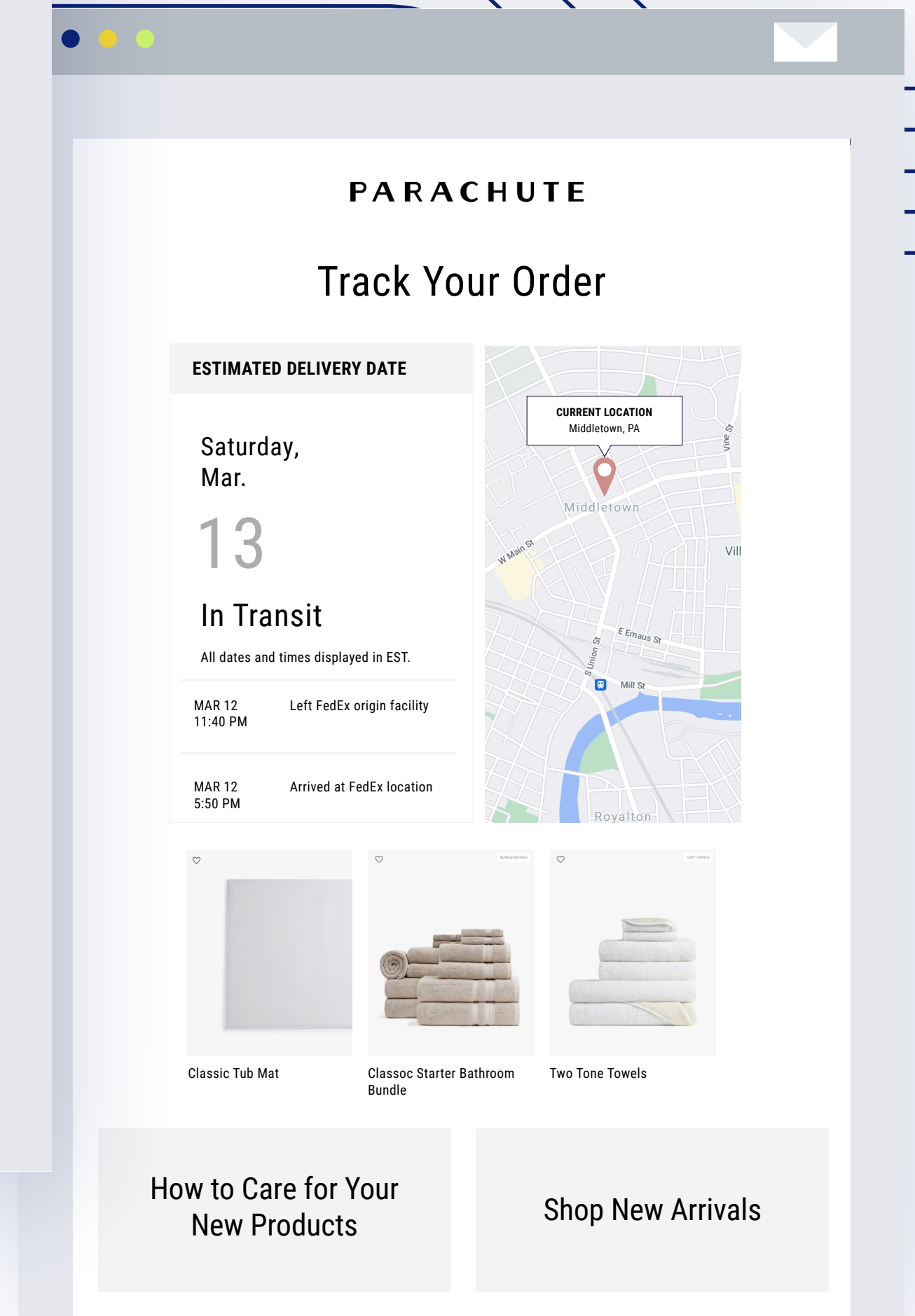
## Best practice ★

Utilize your in-store tracking page and:

- Inform customers in a clearly about what is happening with their order, including next steps
- Reduce customer service inquiries - 'Where is my order?' - by 25%
- Link to your FAQs and customer chatbot to help with specific questions
- Include engaging content to share your brand's sustainability commitments



Grove collaborative promotes their plastic-free commitment in their order tracking page



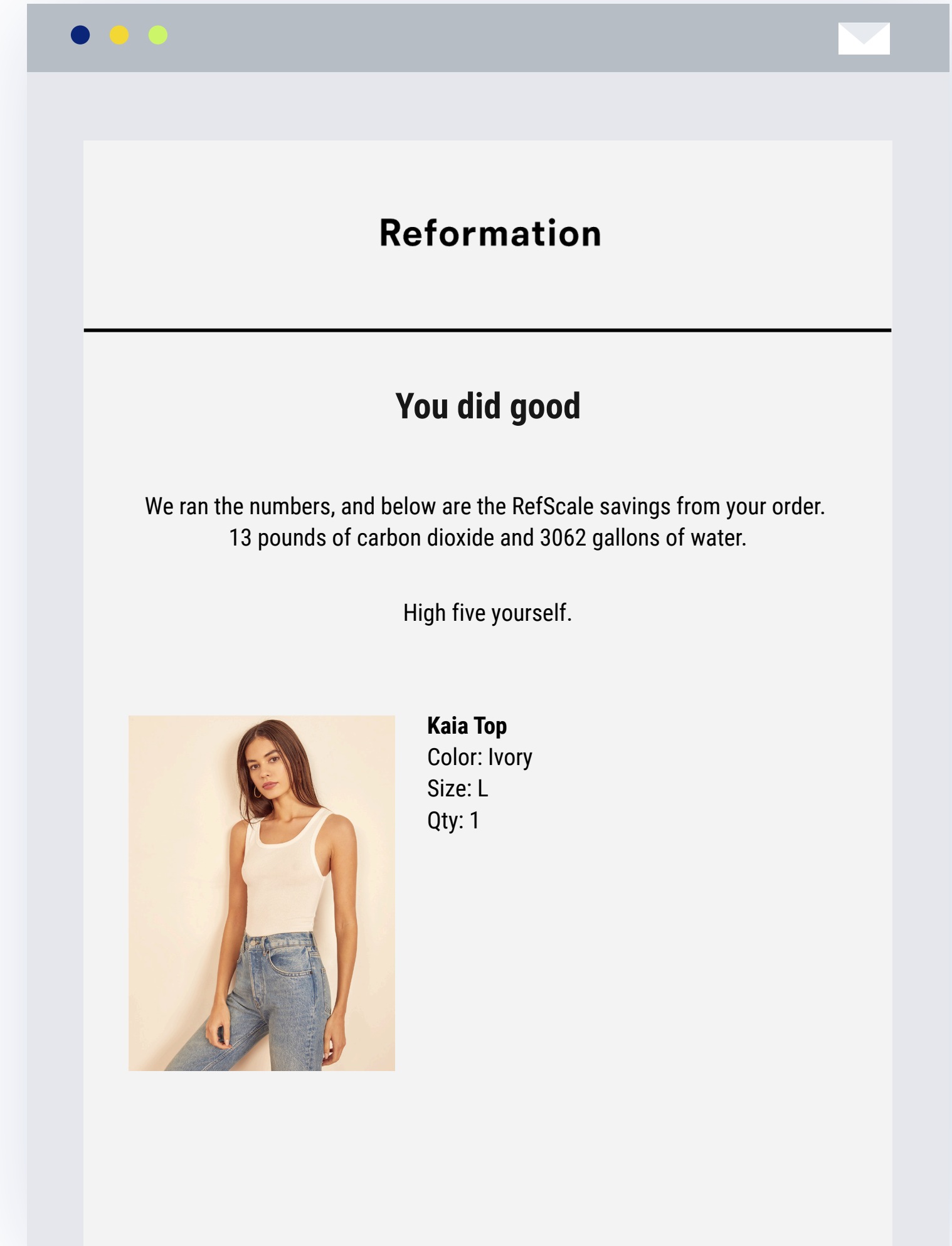
Parachute includes a link to how to care for your new products in their tracking page, encouraging longer use



## Best practice ★

Leverage transactional emails - aka the emails relating to a customer's order – during the post-purchase part of the customer journey. 64% of consumers say transactional emails are the most important communications they receive from a brand so:

- Include a link to your in-store order tracking page, which can bring back 85% of customers to your online store
- Engage customers with personalized, relevant content, including your brand's sustainability commitments and goals

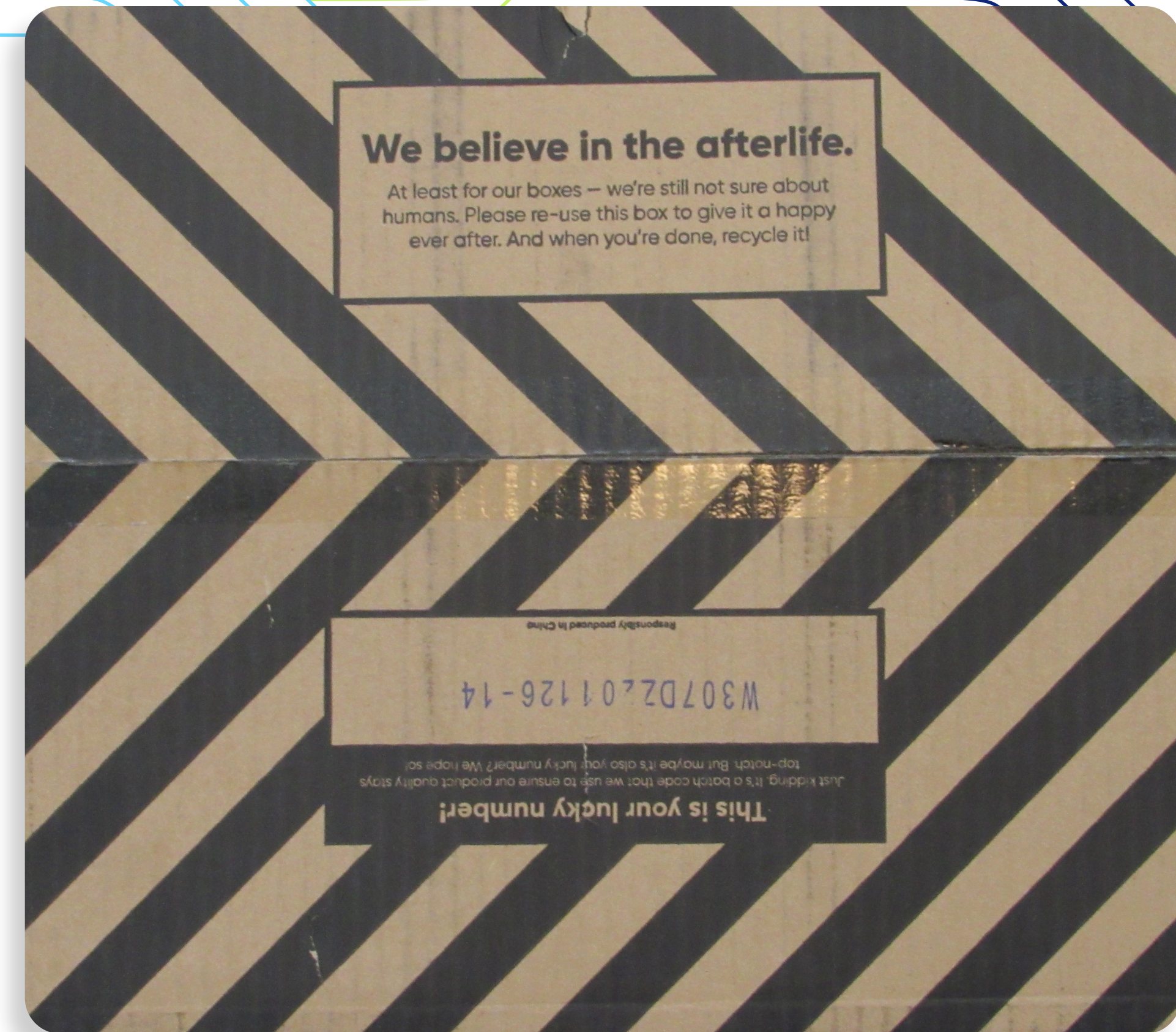


Reformation has the green savings amount in your order confirmation message – reinforcing how important sustainability is to their brand



## Best practice ★

Don't forget about your packaging. The nature of online shopping means there will always be packaging to deal with. Plus, this is the first time your brand will make physical contact with your customer. Use this moment to encourage recycling by sharing with your customer how they can recycle their packaging, further reinforcing your brand's sustainability commitment.



Who Gives a Crap promotes sustainability messaging on their boxes in a fun and cheeky way



# Operations Experience is a channel to improve Sustainability

*Using Operations Experience Management can make your business more sustainable.*  
by Julia Henry



Many of the DTC brands we studied are focused on the sustainability of their business and products. We saw this with retailers emphasizing us to buy less, with those focusing on social responsibility by donating a product for every purchase made, and with many promising to reduce their plastic or carbon footprint by 20XX.

## Do good and talk about it

While a few brands highlight these measures and initiatives in their post-purchase communications and order tracking pages, the majority missed this opportunity entirely. Furthermore, none carried this sustainability focus into their returns and refund experiences.

Brands should use their Operations Experience as a new channel to promote sustainability – both what they are doing themselves and what consumers can do. Sharing a how-to for how a customer can recycle or reuse their packaging isn't just good for the environment, its also good for your customer experience.

## Product Circularity

We are shifting away from the 'make, take, waste' mentality. Someday the term 'consumer' may even be out-dated. Shifting towards a circular economy, creates an entirely new set of operational processes and customer touchpoints beyond post-purchase and returns.

These processes will need to be managed and will create new touch points for customer experience. Brands can use this opportunity to inform and engage with customers – creating an Operations Experience that is truly unparalleled.

## Build sustainability into your brand

As consumers carry their personal beliefs and values into their spending decisions, brand values need to align with consumer values. Consumers will spend more with brands that make them feel taken care of and align with their own sustainability beliefs.

Using Operations Experience Management, brands can leverage these customer touch points to build their brand as one that is sustainable, while simultaneously deepening their customer relationships with branded, white-label notifications and an in-store order status page.



# About parcelLab

*The Leading Operations Experience Management Platform*

## Together, we can create outstanding customer experiences every day.

At parcelLab, we help brands take control of customer communication. We don't do out-of-the box solutions, we empower brands to deliver end-to-end real-time communication that embodies their brand identity and complements their business goals.

We transform complex operational data into a customer experience of your own design. In other words, our advanced data platform can be fully customised to suit your needs. We'll work with you to create impressive customer focused experiences that manage expectations, build trust and prolong engagement.

And over the years, we've become pretty good at it. Worldwide we've integrated over 300+ partners. It's this that sets us apart and enables us to deliver truly tailored experiences to our 500+ global brands.

### The Research Team

Julia Henry, Marketing and Communications Manager

Laura Physick, Content Manager

Max Klatt, Head of Digital and Content

Jenny McBain, Graphic Designer

Bruno de Aviz, Graphic Designer

Adrienne Muth, Researcher

Dora Birna, VP of Marketing and Growth